SHRI YOGINDER K. ALAGH : There are technologies in which the first thing to do is to have appropriate measurements at different levels — In distribution, transmission and sub-transmission systems; and we give full support to more modern technologies which use electronics and so on. However, I think, it will be fair to say that at the lowest level, the organisational systems, which I think is the brunt of the questions that the hon. Members are asking, have to collect the bills is also an extremely important question.

SHRI K.S.R. MURHTY : Sir, in the statement of the Minister, It is said that the cost recovery is about 79 per cent. Practically, all the State Electricity Boards in the Country are in red, excepting the NTPC. Now, what is it that the Government of India is doing to make the State Electricity Boards stand on their own when the World Bank, the IMF and everybody else are refusing to give them loans?

SHRI YOGINDER K. ALAGH : Sir, to begin with, we are placing before the House a legislation for setting up independent tariff regulatory bodies both at the Central and the State levels. The recommendations of these bodies will be mandatory. Therefore, it is expected that once this legislation is approved, there will be an improvement in the systems at the level of the State Electricity Boards. Also, for specific strategies of reform where there are many models, and I do not want to take the time of the House in describing them — Orissa, Rajasthan and so on — if there are financial costs to the reform in addition to the World Bank or the ADB packages, then the Power Finance Corporation can also make funds available to the State Electricity Boards. When the Power Finance Corporation lends to the State Electricity Boards, it tries to establish with them a reform programme of a specific kind depending on the conditions in the State.

[Translation]

SHRI SATYA PAL JAIN : Mr. Speaker, Sir, I would not like to go into any dispute regarding the information given by the hon. Minister in regard to the generation of power in private Sector and Public Sector. The claims of the Government notwithstanding, the fact remains that there are lakhs of people in our country even today to whom we are not able to provide electricity connections due to shortage of electricity. In my constituency, there are one lakh of such persons. Moreover, in the markets and sectors of Chandigarh, in villages and in the colonies, we are not in a position to provide electricity connections. Pay attention to the fact on the occasion of 50th Anniversary of India's Independence will the Government consider giving electricity connections to every person on demand, irrespective of the fact whether he lives in the villages, in colonies or in any market and supply electricity too? Will the hon. Minister consider it and give an assurance to this effect?

AN HON. MEMBER : They should give both the connection as well as electricity.

SHRI SATYA PAL JAIN : The people should be given connection as well as electricity because at many places there are connection but there is no electricity.

[English]

MR. SPEAKER : I do not know whether it arises out of this question.

[Translation]

SHRI YOGINDER K. ALAGH : Mr. Speaker, Sir, there are schemes of the Government of India under which provision has been made for electrification of rural areas. There is a 'Kutir Jyoti' scheme for the poor and a special project for tribals. Unfortunately there are three-four states which have failed to repay their old loans as a result or which they could not get their money. We are trying to get that amount. A reference was just now made about Bihar. If they could draw mutually acceptable repayment schedule, we can give the money to them for that. If the state Government formulates a scheme, we shall encourage them. All the State Governments should formulate similar schemes during the Ninth Five Year Plan. If the rural electrification is completed, we shall be in a position to develop loan assistance for that purpose.

Cost of Power Generation

*324. SHRI NAWAL KISHORE RAI :
JUSTICE GUMAN MAL LODHA:

Will the Minister of POWER be pleased to state :

(a) whether the Government have made any assessment about the cost of power generation at the national level;

(b) if so, the average cost of power generation in hydel, thermal and atomic sectors during the first and final years of the Eighth Five Year Plan separately;

(c) whether the average cost of power generation has gone up during the above period; and

(d) if so, the main reasons therefor and the percentage increase estimated in the average cost of power generation as a result of each factor?

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI YOGINDER K. ALAGH): (a) to (d) A Statement is laid on the Table of the House.

Statement

(a) and (b) the cost of generation, at the national level, hydel and thermal sector at the beginning of 8th plan and in the year 1995-96 are given below :

	At the beginning of 8th Plan	In the year 1995-96
Hydro Power Stations	Varied from 10 P/Kwh to 69 P/Kwh	Varied from 19 P/Kwh to 115 P/Kwh
Thermal Power Stations	Varied from 56 P/Kwh to 190 P/Kwh	Varied from 79 P/Kwh to 288 P/Kwh

The rate of supply from different nuclear power stations to SEBs during the 8th Five Year Plan is as under :

Paise/Kwh

Sl. No.	Name of Nuclear Power Station	Existing rate (Effective from)	Proposed rate (Effective from)
1.	Tarapur	57 (Dec. 1992)	83 (July, 1996)
2.	Rajasthan	61 (1992-97)	206 (March, 1997)
3.	Kalpakam	63 (April, 1991)	130 (July, 1996)
4.	Narora	120 (Jan. 1991)	159 (July, 1996)
5.	Kakarpara	207 (May, 1993)	204 (July, 1996)

(c) Yes, Sir, the average cost of power generation has gone up during the 8th Plan period.

(d) The main factors for the average cost of hydro & thermal generation and its percentage increase during the 8th Plan period are as under :

Main Factors for increase in cost of generation		Percentage increase during the 8th Plan period
1.	Cost of Fuel	42%
2.	Estt. & Administration	20%
3.	Interest Payment	45%
4.	Depreciation	60%

In respect of Atomic Power Stations, the main reasons for increase in cost of generation are due to (a) increase in cost of fuel and lease charge for heavy water and (b) derating of some of the generation units.

MR. SPEAKER : All the questions seem to be very powerful.

SHRI YOGINDER K. ALAGH : Sir, I am lucky today. All the Members are interested in Power.

SHRI A.C. JOS : The answers also are very good.

MR: SPEAKER : Yes.

[Translation]

SHRI NAWAL KISHORE RAI : Mr. Speaker, Sir, in response to my main question the hon. Minister has agreed that the cost of power generation has escalated and our country has now shifted from mixed economy to liberalisation and our industry is not in a position to face global competition. The way in which power generation cost has escalated is a matter of concern. Our industry shall never able to compete in the global market. In USA and UK maximum power generation cost is at the rate of 1.4 kilowatt where as it has increased by 2.88 per kilowatt in India. It is a matter of great concern. The main reason for this escalation is said to be the hike in the cost of fuel which has increased by 42 per cent. I would like to say through you that fuel like coal and Naptha are under Government control and the Government has monopoly over them.

MR. SPEAKER : You ask the question.

SHRI NAWAL KISHORE RAI : I am asking the question. The cost of power generation has gone up to a great extent and it has caused a lot of concern.

MR. SPEAKER : You have repeatedly spoken that it is matter of concern.

SHRI NAWAL KISHORE RAI : Mr. Speaker, Sir, I would like to know from the Government through you, as to the measures the Government propose to adopt to bring down the cost of power generation. As electricity is becoming dearer what measures the Government propose to adopt to make electricity available at a cheaper rate so that we are able to compete in the global market?

[English]

SHRI YOGINDER K. ALAGH : Sir, in many areas like coal, the Government has announced policies of private investment, of de-regulation of the prices of certain categories of coal. It is expected that the investments that come will be of a cost reducing kind. In the proposed legislation for the tariff-fixing bodies, the whole issue of economy, efficiency and cost reduction is given as a specific term of references.

[Translation]

SHRI NAWAL KISHORE RAI : Mr. Speaker, Sir the reply that was given is not satisfactory. Forty five per cent interest payment has been shown in the statement. I would like to know from the Government through you whether the government propose to reduce the cost of power generation by reducing interest payment of the generation cost is not going to be reduced till adequate subsidy is given to make power supply at a cheaper rate in order to give Indian industry an opportunity to participate in the global competition?

[English]

SHRI YOGINDER K. ALAGH : The real issue is to decrease the real cost of production and to improve efficiency and not to be giving subsidies. All our policies are oriented towards that. As we saw in the reply to an earlier question, the cost of more expensive fuels can mean electricity supply costs close to around Rs. 2.70. These are marginal sources of supply but the average costs are lower. But it is the reform package of the power system as a whole which will reduce the cost and I believe that subsidies would have to be limited and they have to be targetted.

[Translation]

SHRI NAWAL KISHORE RAI : Will you accept that we are paying 45 per cent as interest?

SHRI YOGINDER K. ALAGH : No Sir.

[English]

JUSTICE GUMAN MAL LODHA : The hon. Minister in his reply has said that the rate in supply of energy of different nuclear power stations to the State Electricity Boards during the last few years has increased as per the Eighth Plan, particularly in Rajasthan from 61 paise to 206 paise whereas in Kakrapar, on the contrary, it has decreased from 207 paise to 204 paise.

MR. SPEAKER : Is it necessary for you to read the answer?

JUSTICE GUMAN MAL LODHA : I am reading it in order to pinpoint my question.

MR. SPEAKER : You can pinpoint it without reading the answer.

JUSTICE GUMAN MAL LODHA : What are the reasons for this? Rajasthan is a place which in the set up of deserts and other things is backward. While trying to increase the cost of energy, what is the Government of India going to do regarding reduction in the cost of energy, if not subsidy? What steps are they going to take to see that the people of Rajasthan can get cheap electricity?

SHRI YOGINDER K. ALAGH : The nuclear power plants have been going through programmes of modernisation which involve capital investment and also because of the requirements of safety. There has been de-rating of capacities and that has a consequential impact on the unit cost of power.

SHRI SANAT MEHTA : I would like to ask only a very short question... *(Interruptions)*

MR. SPEAKER : Listen to the question and not to the comments.

SHRI SANAT MEHTA :The Bureau of Industrial Costs and Prices has considered the fuel scenario and it has recommended that the State which are beyond 600 km. to 800 km. From the coal mines be allowed the import of coal and other fuels when the Government has already announced OGL policy on coal. Will the Ministry of Power, in consultation with the Ministry of Finance, try to reduce the duty on coal? Otherwise, the benefit of OGL import of coal is not able to reduce the cost of power in States which are 800km. Beyond the mines.

SHRI YOGINDER K. ALAGH : There is a very marginal import duty on coal.

SHRI SANAT MEHTA : It is very easy to remove if it is very marginal.

SHRI YOGINDER K. ALAGH : There are some considerations also in trying to be fair to the domestic coal industry and they are not revenue losses. But generally the Ministry of Power is in favour of as little taxation as possible on energy sources.

MR. SPEAKER : The other Ministers are jealous of the Minister for Power now !

Appointment of Railway Ticket Reservation Agents

*325. SHRI CHINTAMAN WANAGA : Will the Minister of RAILWAYS be pleased to state :

(a) whether the Government have appointed railway ticket reservation agents in the country;

(b) if so, whether the Government have received any complaints regarding misuse of tickets by rail travellers service agents; and

(c) if so, the steps taken/proposed to be taken by the Government to curb the misuse of tickets?

[Translation]

THE MINISTER OF RAILWAYS (SHRI RAM VILAS PASWAN) : (a) to (c) A statement is laid on the Table of the Sabha.

Statement

(a) Rail Travellers Service Agents have been appointed on the Railways to purchase tickets from the railway reservation offices on behalf of the intending passengers by standing in the queue like a normal passenger.

(b) and (c) Some irregularities have been noticed regarding functioning of Rail Travellers Service Agents during the checks conducted in reservation offices from time to time by commercial Officers with the assistance of ticket checking staff, anti-fraud squad and Railway Protection Force. Frequent checks are conducted on the premises of Rail Traveller's Service Agents to see if any irregularities are committed by them and appropriate action is taken in case of irregularities detected.

SHRI CHINTAMAN WANAGA : I had asked about the appointment of agents for Railway ticket reservation but the hon. Minister has given a reply about Rail Travellers Service Agents. The duty of Rail travellers service agents is to provide tickets to those passengers who stand in the queue for reservation.

My question is whether the hon. Minister proposes to appoint agents on the pattern of private reservation agents of airlines?

SHRI RAM VILAS PASWAN : What type of agents you want to talk about.

[English]

MR. SPEAKER : Can you kindly repeat the question slowly?

SHRI CHINTAMAN WANAGA : There is a difference between the Rail Travellers' Service Agents and the Ticket Reservation Agents.